

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

In re:)	Case No. 14-16345 (PMC)
)	
CAC Buildings Properties LLC)	
)	Chapter 11
)	
Debtor)	Chief Judge Pat E. Morgenstern-Clarren

**Motion of the United States Trustee to Convert Case
to Chapter 7, or, to Dismiss Case**

Now comes Daniel M. McDermott, United States Trustee for Region 9, by and through his undersigned counsel and moves this Court for an Order pursuant to 11 U.S.C. § 1112(b) converting this chapter 11 case to a case under chapter 7 or, in the alternative, dismissing this case, whatever is in the best interests of creditors. For the reasons set forth below, the United States Trustee submits that cause has been established pursuant to 11 U.S.C. §1112 (b) to convert or dismiss this case.

Standing

1. Daniel M. McDermott is the United States Trustee for Region 9. Pursuant to 28 U.S.C. §586, the United States Trustee is statutorily obligated to monitor the administration of cases commenced pursuant to the Bankruptcy Code, 11 U.S.C. § 101 et seq.

2. Pursuant to 11 U.S.C. §307, the United States Trustee has standing to be heard.

Factual Background

3. CAC Buildings Properties LLC, (“Debtor”) filed this case on October 4, 2014. The Debtor operates as a real estate holding and development company and owns a single asset building located at 1118-1148 Euclid Avenue, Cleveland, Ohio 44115. The building has been

empty for over four years. Pursuant to 11 U.S.C. § 1107 and 1108, Debtor remains a debtor in possession. The Debtor does not have insurance coverage in place.

Legal Authority

4. Section 1112(b) of the Bankruptcy Code provides for the conversion or dismissal of a Chapter 11 case for “cause.” Once cause is established, a conversion or dismissal is mandated unless unusual circumstances establish conversion or dismissal is not in the best interest of creditors. 11 U.S.C. Section 1112(b)(1). The code does not define cause but states that cause includes a failure to maintain appropriate insurance that poses a risk to the estate or to the public. 11 U.S.C. § 1112(b)(4)(C).

5. Debtor’s failure to maintain appropriate insurance on an empty building poses a risk to the estate and to the public and constitutes cause to convert or dismiss this case pursuant to 11 U.S.C. Section 1112(b)(4)(C).

Wherefore, the United States trustee respectfully requests this Court enter an Order converting the above captioned case to a case under chapter 7 or, in the alternative, dismissing this case, whichever is in the best interests of creditors.

Respectfully submitted,

Daniel M. McDermott
United States Trustee
Region 9

By: /s/ Linda Maria Battisti
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Certificate of Service

I certify that on October 23, 2014, a true and correct copy Motion of the United States Trustee to Convert Case to Chapter 7, or, Dismiss was served:

Via the Court's Electronic Case Filing System on these entities and individuals who are listed on the Court's Electronic Mail Notice List:

Eric H. Zagrans, Esq., on behalf of debtor, at: eric@zagrans.com

Scott D. Fink, Esq., on behalf of Waring Investments, Inc., at: ecfndoh@weltman.com

And by regular U.S. Mail, postage prepaid to the following:

CAC Buildings Properties LLC, debtor, at: 3535 Severn Road, Cleveland, Ohio 44118

/s/Linda Maria Battisti

Linda Maria Battisti (0017046)

U.S. Department of Justice

Office of the U.S. Trustee

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